

## Relations industrielles Industrial Relations



# Employees' Participation in Management: International Experiences and the Prospects for Canada La participation des employés à la direction : expériences internationales et perspectives canadiennes

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### Résumé de l'article

Quelques pays du monde occidental, y compris le Canada, ont fait l'expérience, depuis le milieu de la décennie 1960, d'un état aigu de conflits industriels et d'une performance poyable en matière de productivité à un moment où la paix industrielle et l'augmentation de la productivité s'imposent dans la lutte à unestagflation persistante. Ces faits brutaux sont aussi attrayants que convaincants. Le nombre et la fréquence des grèves, des lock-out et autres formes d'arrêts de travail ont augmenté à un taux alarmant, en particulier dans les secteurs stratégiques de l'économie, et le taux d'accroissement de la productivité laisse beaucoup à désirer.

La productivité est contrainte non seulement par la perte directe de production, qui résulte des arrêts de travail, mais aussi par des formes variées de ralentissement. L'accroissement de l'absentéisme, le fin du travail et les dommages à l'équipement et aux matériaux, l'explication que quelques spécialistes apportent à cette contestation croissante, c'est que, sous les pressions de l'inflation, syndicats et directions se sont retranchés d'une façon inflexible sur leurs positions respectives, tandis que d'autres ont tendance à attribuer en grande partie l'agitation industrielle, pendant les dernières années, au militantisme de gauche. Cependant, la plupart des experts s'accordent à dire que ce record de conflits industriels, depuis plus de dix ans maintenant, indique avant tout que nous vivons avec ce malaise longtemp avant les pressions des dernières années et que, d'autre part, le militantisme syndical ne correspond pas nécessairement à l'agitation politique des groupes de gauche. Le record des conflits en Australie, au Canada, en Irlande et aux États-Unis, par exemple, où, au point de vue idéologique, les syndicats peuvent être considérés comme modérés ou conservateurs, est aussi mauvais que celui de l'Italie, où les communistes et les socialistes de gauche dominent la plupart des syndicats. D'autre part, la situation des grèves en France où les communistes dominent aussi les plus importantes centrales syndicales, est presque aussi bonne que celle du Japon, des pays Scandinaves et de l'Allemagne.

On peut trouver la réponse à ces contradictions dans les causes sous-jacentes de conflit et dans les aspects antagonistes de systèmes de relations professionnelles fondés sur la contestation plutôt que sur la coopération entre syndicats etemployeurs, non dans l'orientation idéologique des syndicats. Les expériences internationales indiquent que les radicaux tirent profit du mécontentement, mais qu'ils n'en sont pas la cause. En de tels cas, les divergences entre patrons et syndicats en matière de rémunération et d'avantages sociaux sont accentuées par une forte méfiance mutuelle et, ainsi, leurs positions respectives deviennent plus rigides. Il est alors presque impossible d'en arriver à un règlement facile et raisonnable en matière de salaires ou même de trouver des solutions mutuellement acceptables à des problèmes d'intérêt commun.

Au cours de la dernière décennie, il est devenu manifeste que le système de négociations collectives, à lui seul, ne peut régler effectivement plusieurs des problèmes compliqués créés par les déplacements de production et l'introduction incontrôlée de changements technologiques et d'automatisation (lesquels ont été accompagnés d'une augmentation du chômage structurel), la frustration et l'aliénation d'importants secteurs de la main-d'oeuvre (suite à la détérioration de l'ambiance de travail), le développement d'un sens accru de la justice sociale et la recherche de la perfection, principalement parmi la plus jeune génération de travailleurs. Ce qui est remis en question, par conséquent, ce n'est pas l'apport de la négociation collective dans la fixation des salaires et l'amélioration des conditions de vie, mais l'incapacité de faire face à la multiplicité des problèmes au lieu même du travail qui ont accentué l'état de conflit et diminué la productivité. La solution à ces questions exige une consultation et des ententes entre employeurs et salariés qui soient périodiques, sinon constantes, ententes que les accords de négociations collectives (une fois tous les deux ou les trois ans) ne peuvent pas vraiment comprendre.

L'expérience a démontré que la solution se trouve dans l'amélioration générale des relations professionnelles et le développement de dispositifs institutionnels complémentaires, non dans l'abolition du système de négociations collectives qui, dans une atmosphère de bonnes relations, peut encore contribuer au règlement raisonnable des questions salariales. Une étude comparative du système de relations professionnelles dans les pays du monde occidental, de la situation qui existe en matière de grèves et de productivité et de l'état de leurs économies incite à considérer sérieusement l'introduction de certains mécanismes institutionnels complémentaires au système de négociations collectives et aux dispositifs d'arbitrage, qui seraient de nature à favoriser la coopération entre salariés et employeurs en vue de la solution des problèmes d'intérêt mutuel. Ceci aurait pour effet, en retour, de réduire les conflits, d'accroître la productivité et d'améliorer les chances de règlement normal des questions salariales.

De tels dispositifs tournent autour d'une certaine forme de participation des travailleurs à la gestion et se classent dans la catégorie générale de ce qu'on appelle la démocratie industrielle. Bien que ces mécanismes institutionnels de participation diffèrent quant à leur ampleur et à leurs fonctions, ils ont fondamentalement les mêmes buts qui sont idéologiques autant que pratiques. En d'autres mots, les objectifs de la participation sont d'améliorer la qualité de la vie au travail, de diminuer l'intensité des conflits industriels, d'accroître la productivité et de créer les conditions préalables à une coopération efficace des parties à l'extérieur du milieu de travail par la formulation et l'implantation d'une politique socio-économique publique.

Beaucoup de pays industrialisés ou en voie de développement ont établi ou projettent d'implanter la participation ouverte par législation ou dans les conventionscollectives, mais le degré et l'ampleur de la participation et le type d'institutions mises en place varient d'un pays à l'autre et parfois d'une industrie à l'autre. Cependant, en dépit de cette diversité, on peut noter certaines similitudesinstitutionnelles et fonctionnelles, au moins dans la plupart des pays industrialisés et quelques pays en voie de développement. Ces similitudes se retrouvent principalement dans les institutions de participation dites « représentatives » ou de niveau inférieur qui touchent aux trois principaux aspects de la coopération entre employeurs et salariés, soit l'information, l'consultation et l'approbation.

Ces institutions de participation à l'échelon inférieur sont, par conséquent, des corpsconsultatifs, et on les retrouve surtout en Europe bien qu'il y ait des corps consultatifs semblables ailleurs dans le monde). On les désigne toujours sous les noms de « comité de travailleurs », « conseil des travailleurs », ou de « comités syndicaux » (dans les pays marxistes). Nombre de questions sont débattues dans ces « conseils de travailleurs » en vue d'en arriver à un consensus ou d'« influencer » les décisions de la direction.

D'autre part, les institutions de participation au niveau supérieur sont des « organismes de gestion » où les représentants des travailleurs siègent aux bureaux de direction des entreprises privées aussi bien que publiques. En 1970, la République fédérale d'Allemagne était le seul pays en Europe occidentale où les représentants des employés siègeaient aux bureaux de direction. Aujourd'hui, la loi des compagnies de l'Autriche, du Danemark, du Luxembourg, de la Hollande, de la Norvège et de la Suède prévoit aussi une représentation semblable. En outre, plusieurs pays en voie de développement et la plupart des autres pays européens se proposent d'instituer ou d'augmenter la participation aux degrés inférieurs ou supérieurs par mesure législative ou par des conventions collectives cadre. La CEE a mis de l'avant une directive qui rend la participation obligatoire pour tous ses membres. Toutefois, la vitesse et le degré de participation ont été laissés à la discrétion de chaque État membre. Ce qui est important de noter, toutefois, c'est que le succès de la participation des travailleurs à la gestion exige plusieurs conditions préalables, y compris l'intensité de désir à la participation, le comportement de toutes les parties intéressées, l'éducation et la formation des salariés en vue de la participation et le degré d'appui des syndicats existants.

Il n'en fait pas de doute maintenant que la participation des salariés sera adoptée par la plupart des pays d'Europe occidentale et que le Canada devra suivre s'il désire améliorer la qualité de la vie au travail et accroître la productivité, améliorer ainsi sa position concurrentielle sur les marchés internationaux. Une forme quelconque de participation deviendrait, par conséquent, une réalité durant la prochaine décennie et la période intermédiaire donne aux entreprises le temps de respirer pendant lequel la direction peut scruter la situation, analyser ses points forts et ses points faibles et décider comment elle pourrait le mieux accroître les réglementations conjointes ou les processus de décision à l'intérieur des entreprises, tout en ne se laissant pas emporter en conséquence par la législation.

Les compagnies qui estiment ne pas avoir les ressources requises pour accomplir cette tâche, peuvent obtenir de l'aide de l'extérieur auprès des services de recherche appropriés des gouvernements provinciaux, des associations de manufacturiers, des collèges et des universités. Cependant, il doit y avoir en outre un haut degré d'engagement de la part du personnel des entreprises et des représentants syndicauxpour que des méthodes préconisées passent dans la pratique. Ce qui est important, c'est de se mettre au travail pendant qu'il est encore temps de prendre l'initiative plutôt que de simplement réagir et de se soumettre à la législation fédérale ou aux politiques et directives des provinces.

Parallèlement à tout étude en profondeur que les travailleurs et les employeurs peuvent décider de poursuivre au niveau de l'entreprise ou de l'industrie, le succès relatif des conférences patronales-ouvrières que le ministère fédéral du travail a offertes au cours des dernières années indique aussi qu'il est souhaitable de transformer ces conférences en cours permanents avec l'appui des gouvernements provinciaux et en coopération avec eux de même qu'avec des institutions d'enseignement supérieur.

Ceci ne ferait pas qu'aider à résoudre les problèmes immédiats d'intérêt mutuel, y compris la santé et la sécurité, mais créerait aussi les conditions préalables à l'établissement éventuel et aux succès d'organismes de coopération permanents à l'échelle de l'industrie et de l'économie nationale, indépendamment de la méthode et de l'origine de l'implantation.

Enfin, l'urgence d'une action concertée de toutes les parties intéressées ne découle pas uniquement de la nécessité de se préparer à se soumettre aux politiques et aux directives publiques, mais aussi de l'urgence nécessaire d'atténuer les conflits et d'améliorer le rendement des entreprises industrielles afin d'accroître la concurrence de leurs produits sur les marchés internationaux et de contribuer ainsi d'une façon positive à la lutte contre l'estagflation.

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# Employee's Participation in Management

## International Experiences and the Prospects for Canada

**Chris A. Jecchinis**

*The experiences of certain successful West European practices in employee's participation within undertaking recommend the establishment of complementary institutional arrangements in the existing system of labour-management relations in Canada which, at the present, is based only on the institution of collective bargaining.*

Some countries of the Western World, including Canada, have been experiencing since the middle 1960's, acute industrial conflict and poor productivity performance at a time when industrial peace and increased productivity are needed for the concerted effort against persisting stagflation. The hard facts are startling as well as convincing. The number and frequency of strikes, lockouts, and other forms of stoppages have been increasing at an alarming rate, especially in the strategic sectors of the economy, and the rate of productivity growth leaves much to be desired.

Productivity is not only being affected adversely by the direct loss of production as a result of the man-days lost from stoppages, but also through various slow-downs, increased absenteeism, poor workmanship, and the damage of equipment and materials. The explanation that some experts offer for the increased strife, is that under the pressures of inflation, labour and management have become more inflexible in their respective positions, while others, tend to attribute most of the industrial unrest of recent years to leftwing militancy. However, most experts agree that the record of industrial disputes in more than a decade now, indicates, first, that increased unrest has been with us long before the inflation pressures of

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recent years, and second, that the militant action on the part of trade unions, does not necessarily correspond to leftwing political agitation. The record of industrial disputes for instance of Australia, Canada, Ireland, and the United States, which ideologically have moderate to conservative trade unions, is as bad as that of Italy, where communists and leftwing socialists dominate most of the trade unions. On the other hand, the strike record of France, where also the communists dominate most of the important trade unions, is nearly as good as the low strike record of Japan, the Scandinavian countries and Germany. (See Tables 1 and 2).

The answer to these inconsistencies can be found in the *underlying causes of conflict*, and the adversary aspects of industrial relations systems which are based on labour-management confrontation rather than cooperation, not in the ideological orientation of the trade unions. International experiences indicate that radicals take advantage of discontent, but they do not cause it. In such cases, labour management differences over remuneration and fringe benefits are accentuated by mutual intense distrust, and thus their respective positions become more rigid. It is then almost impossible to come to an easy and reasonable wage settlement or even to find mutually acceptable solutions for problems of mutual concern.

It has become obvious in the last decade that the conventional collective bargaining system alone, cannot deal effectively with many of the complicated problems created by transfers of production and the uncontrolled introduction of technological change and automation, (which have been accompanied by increased structural unemployment), the frustration and alienation of important segments of the labour force (as a result of the deterioration of the working environment), the development of a strong sense of social justice and the search of fulfillment, especially among the younger generation of workers. What is questioned, therefore, is not the contribution of collective bargaining to wage fixing and the improvement of living standards, but its inability to cope with the multiplicity of workplace problems which have increased conflict and decreased productivity. The solution of these problems requires periodic, if not constant, consultation and agreement between labour and management, which the arrangements of conventional contract negotiation (once every two or three years) cannot possibly provide.

Experience has shown that the solution lies in the overall improvement of labour-management relations and the development of complementary institutional arrangements, not in the abolition of the collective bargaining system, which, in an atmosphere of good labour-management relations, can still contribute to reasonable wage settlements. A comparison study of the

**TABLE 1**  
**Industrial Disputes - Some International Comparisons**

	<i>Days Lost Per 1,000 People Employed</i>										<i>Average for</i>		
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	5 years 1964- 1968	5 years 1969- 1973	10 years 1964- 1973
Australia*	480	410	360	320	460	860	1,040	1,300	840	1,030	406	1,014	710
Belgium	250	40	320	90	230	100	830†	720	180	500	186	466	326
Canada	560	790	1,570	1,200	1,670	2,550	2,190†	800	1,420	1,650	1,158	1,722	1,440
Denmark&	30	400	30	20	20	80	170	30	40	4,020	100	868	484
Finland	80	20	150	410	250	200	270†	3,300†	530	2,510	182	1,362	772
France	280	100	240	430	(a)	200	180†	430	300†	330	262(11)	288	277(c)
Federal Republic of Germany	---	---	---	30	---	20	10	330	---	40	6	80	43
India	560	470	890	1,270	1,150	1,270	1,440†	1,020†	1,300†	(a)	868	1,257	1,041(c)
Ireland	1,620	1,720	1,420	520	910	2,170	490	670	600†	420	1,238	870	1,054
Italy	1,270	540	1,710	580	930	4,160	1,730	1,060	1,680	2,280	1,006	2,182	1,594
Japan	190	360	170	100	160	200	200	310	270	210	196	238	217
Netherlands	20	30	10	---	10	10	140	50	70	330	14	120	67
New Zealand	160	50	230	320	310	300	470	370	320	560	214	404	309
Norway	---	---	---	10	10	---	70	10	---	10	4	18	11
Sweden**	10	---	110	---	---	30	40	240	---	---	24	62	43
Switzerland	---	---	---	---	---	---	---	10	---	---	---	2	1
United Kingdom	170	220	170	220	370	520	740	1,190†	2,160†	570	230	1,036	633
United Statesβ	850	860	880	1,430	1,590	1,390	2,210	1,620†	870	770	1,122	1,372	1,247

\* Including electricity, and gas, excluding communication.

£ Preliminary figures.

† Revised figures.

& Manufacturing only.

\*\* All industries included.

β Figures cover also electricity, gas and sanitary services.

(a) Figures not available.

(b) Average for 1964-67 only.

(c) Average for 1964-67 and 1969-73 only.

(d) Average for 1969-72 only.

(e) Average for 1964-72 only.

Note: Where no figure is given the number of days lost per 1,000 is less than.

Reproduced from the Decembre 1974 issue of the U.K. Department of Employment Gazette.

**TABLE 2**  
**Days Lost Per Thousand Workers Employed in Mining,**  
**Manufacturing, Construction and Transport**  
**1972-1975**

<i>Country</i>	<i>1972</i>	<i>1973</i>	<i>1974</i>	<i>1975*</i>
Australia <sup>1</sup>	880	1,080	2,670	1,390
Belgium	190	520	340	340
Canada	1,420	1,660	2,590	2,840
Denmark <sup>2</sup>	40	4,440	330	190
Finland	520	2,470	460	300
France	300	330	250	390
Germany (F.R.)	10	40	60	110
India	1,300	1,330	2,480	n.a.
Ireland	600	420	1,260	810
Italy	1,670	2,480	1,800	1,640
Japan	270	210	450	400
Netherlands	70	330	-	-
New Zealand	300	530	360	380
Norway	-	10	490	10
Sweden	10	10	30	20
Switzerland	-	0	-	-
United Kingdom	2,160	2,570	1,270	540
United States <sup>3</sup>	860	750	1,480	n.a.

\* Preliminary figures

- Less than five days lost per 1,000 workers employed

n.a. Not available

1 Including electricity and gas; excluding communication

2 Manufacturing only

3 Including electricity, gas and sanitary services

Source: I.L.O.

industrial relations system of various Western World countries, and their respective records of strikes, productivity, and overall economic performance, recommend the serious consideration of introducing some complementary institutional arrangements to the existing collective bargaining system and arbitration procedures, which should facilitate labour-management cooperation for the solution of problems of mutual concern. This would in turn reduce conflict, increase productivity, and improve the chances of reasonable wage and salary settlements.

All such arrangements center around some form of employees' participation in management and come under the general category of industrial democracy. Although these institutional arrangements for participation differ in scope and functions, they have similar basic aims.

## I THE AIMS OF PARTICIPATION

It has been suggested that workers' participation reduced to its simplest form "is merely a question of how to secure a bigger say for the workers in the determination of the conditions governing their every-day lives"<sup>1</sup>. Although this is true concerning the initial intention, the actual practice of any form of participation indicates a broader application of its benefits. Experience has shown for instance, that successful participation presupposes a situation in which the many related but separate interests that exist within an enterprise have been maintained in some kind of equilibrium and in harmony with the interests of society as a whole.

In the process of maintaining the equilibrium of the separate interests within an undertaking, the recognized ideological and utilitarian aims of participation must be fully or partly satisfied. Ideological aims in this context reflect a scale of ethical and cultural values while utilitarian aims reflect a scale of functional values, i.e. maximization of profits in *Western* countries and plan fulfillment in *Marxist* countries<sup>2</sup>.

More specifically, the aims of participation which apply to both the *Western* and *Marxist* countries and to a certain extent the developing countries, are the following:

In the category of *ideological aims*,

(a) *humanising work*, i.e. ensuring the human dignity of the worker by making him/her feel that he/she is not a mere part of the machine, but a participant in decisions affecting his/her work and working environment.

(b) *promoting industrial democracy*, i.e. limiting the absolute authority of employers by granting the workers a share in the management of industry and improving thus labour relations, and

(c) *familiarising the workers* with the various aspects of the enterprise and thus facilitating their social promotion.

In the category of *utilitarian aims*,

a) *raising the productivity of labour* and production by increasing the workers' material interests in the results of their work and making them feel more responsible for it, i.e. re-inforcing their work incentives.

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<sup>1</sup> KERSTEN, Otto, in Christer Asplund's *Some Aspects of Workers' Participation*, I.C.F.T.U., Brussels, 1972.

<sup>2</sup> "Glossary of Workers Participation", *International Educational Materials Exchange*, I.I.L.S., Geneva, 1972.

b) *avoiding industrial conflicts and preserving social equilibrium* by working out decisions affecting the workers in collaboration with their representatives, and

c) *helping to adjust the industrial relations system to changes*: this is important in new advance branches of industry or in declining industries<sup>3</sup>.

Some of the aforementioned aims are objected to by certain trade union groups and employer organizations on ideological or practical grounds, nevertheless, they have become significantly the accepted reality in a considerable number of countries and the expressed goal of many others. The realization, however, of any combination of agreed ideological and utilitarian aims, depends on a number of important factors, one of which is the desire and the ability of workers to participate effectively in the adopted system of participation. This requires on the part of the workers' representatives the acquisition of the necessary information and certain technical skills as well as the development of a sense of cooperation and social responsibility.

### THE LEVELS, STRUCTURE, AND FUNCTIONS OF PARTICIPATIVE INSTITUTIONS

Many developed as well as some developing countries have established or plan to introduce workers' participation by law or collective agreements, but the degree and scope of participation and the type of institutions that have developed accordingly, vary from country to country and in some cases from industry to industry. However, in spite of this diversity, there are certain *institutional* and *functional* similarities that can be distinguished, at least in most of the developed and in some of the developing countries. These similarities are to be found especially in the so-called "representative" or lower level institutions of participation which are concerned with the three main aspects of labour-management cooperation i.e. *information, consultation and approval*.

### LOWER LEVEL PARTICIPATION: CONSULTATIVE BODIES

The most common institutions of labour-management cooperation and consultation that have developed at the level of the undertakings, mainly in the European countries are usually called "*works' councils*", "*works' com-*

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<sup>3</sup> *Ibid.*

*mittees*” and in some cases, “*trade union committees*” (the marxist countries). The works’ councils and similar institutions, are in fact, labour-management bodies where problems of mutual concern are presented and discussed with the purpose of either reaching a consensus or “influencing” decisions. The range of subjects that such bodies may deal with varies, but in most cases they include the following:

1. *Production*, including targets and results of previous periods, current targets in relation to orders or plans, new methods and techniques, equipment and materials, defective work and wastage, customer complaints and public relations, reports on workers’ suggestions and proposed innovations.

2. *Finance and Business*, including a survey and explanation of the undertaking’s financial statements, an examination of future orders or plans, an examination of the competitive position of the enterprise in the particular industry and abroad, and the possible effect of the existing economic situation.

3. *Personnel*, including manpower planning and training, top management changes, prospective hirings, redundancies and turnover, and inter-enterprise communications.

4. *Welfare*, including safety and health, heating and ventilation, canteens and restaurants, washrooms, vacation plans and holiday plan, transportation facilities, housing, benevolent funds, sports activities and entertainment<sup>4</sup>.

The right of workers’ representatives to a say in these matters varies from country to country and in some cases from industry to industry, but there are some considerable similarities. In most cases for instance, the works’ councils have the right to receive information in some or the majority of the forementioned subject matters.

Most works’ councils and similar bodies have no right of “codecision” and they are limited therefore, to some form of “cooperation”. “In practice, this means the right to protest against decisions, to make suggestions or to be consulted”<sup>5</sup>.

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<sup>4</sup> This analysis is an extended version of the one that has been made by Everett KASSALOW in his book *Trade Unions and Industrial Relations: An International Comparison*, New York, 1969.

<sup>5</sup> ASPLUND, C., *Some Aspects of Workers’ Participation*, I.C.F.T.U., Brussels, 1972, p. 13.



The degree of influence that workers can exert on management through the works' councils or similar bodies can be considerable depending on a number of factors. It depends for instance, on the strength of the trade union supporting the workers' representatives, the kind of labour management relations and cooperation that have developed at the particular enterprise, and *the ability of the workers' representatives to utilise effectively the information received* in developing convincing arguments in their discussions with management.

### **The Special Problems of Developing Countries**

For a variety of reasons the establishment of works' councils or similar bodies in the private sector of the *developing* countries has been slow with the exception of *Algeria, Tanzania and Zambia* which have adopted in recent years legislation setting-up works councils and similar bodies with wide powers.

The main reasons for the slow progress achieved so far in introducing workers' participation in the private sector of most developing countries, are to be found perhaps not so much in the ideological resistance of trade unions, but rather to the resistance of management and the inability of trade unions to press effectively for the establishment of participative bodies at the level of the undertakings. With few exceptions, trade unions in the developing countries are small compared to the total labour force, poor in finance and administration, and therefore, have weak bargaining "muscle" in their relations with the employers, and little influence with governments. An additional problem is that of *poor education*; it is questionable therefore, whether adequate numbers of workers can be found at the present time who can qualify for any level of participation<sup>6</sup>.

### **Trade Union Committees in Marxist Economies**

In the *U.S.S.R.* and other *Eastern European* countries, the economic reforms introduced in the middle 1960's which resulted in increased autonomy for undertakings, "through a more flexible system of decentralised planning it was accompanied by an expansion of workers' participation in the management of production and in numerous decisions, in particular by the granting of increased powers to the trade union committee of an undertaking or establishment".

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<sup>6</sup> "Industrial Democracy" *I.C.F.T.U. Eleventh World Congress* (Mexico, O.F. 17-25 Oct. 1975) *I.C.F.T.U. Brussels*, 1975, p. 21.

<sup>7</sup> *Labour-Management Relations Series No. 48*, p. 17.

The *trade union committees* in the Soviet Union and other Eastern European countries had for many years exercised important functions, particularly as regards to dismissals, welfare, safety, and health. The functions and importance of these committees have now been enlarged through collective agreements which are concluded at the level of the undertaking between the trade union committee and the management of the undertaking.

The new collective agreements in the *U.S.S.R.* come under the regulations governing the rights of factory workers or the establishment of trade union committees, adopted in September 1971. In accordance with the new Statute on the rights of local trade union committees of primary organisations, jointly with the management of enterprises, they determine the directions and the ratios of spending incentives funds, and set the size of bonuses for industrial and office workers and the terms on which they are to be paid. They have the right to hear reports from the management of the enterprise on how it is going to improve the working conditions of employees, and the cultural and other day to day services that are provided for workers. The trade union committees can raise also before appropriate organisations the question of dismissing or punishing members of the management who do not fulfill the commitments provided for by the collective agreements, or have engaged in red tape. Furthermore, the management of an enterprise cannot dismiss any industrial or office worker without the trade union committee's consent<sup>8</sup>.

### **Higher Level Participation: Codecision Bodies**

In 1970, the *Federal Republic of Germany* was the only country in Western Europe where workers representatives had seats on private company boards. Today the company laws also of *Austria, Denmark, Luxembourg, the Netherlands, Norway* and *Sweden* provide for such representation.

In *France*, the "co-surveillance" has been suggested by the Sudreau Commission as the final goal of enterprise reform. In *Italy*, workers do not participate in management organs the same way as that of the aforementioned countries, nevertheless, the trade unions share responsibility with management for investment policy of certain big privately owned enterprises within the framework of specific collective agreements. In the *United Kingdom* the Government has announced plans for appropriate legislation

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<sup>8</sup> From the Soviet response to the Questionnaire prepared by the I.L.O. Workers' Education Branch.

in order to provide for worker directors on the boards of large British companies, and the debate at the present has centered around the question of workers' representation. (In other words, the percentage of workers' representation in the board of directors and whether these representatives would be appointed by the trade unions or elected by the personnel of the undertaking.)

In most cases of the introduced or proposed legislation, workers, have or would have only a minority representation as that compared to the shareholders. A notable exception is that of the *Coal, Iron and Steel* industries of the *Federal Republic of Germany* where workers' representatives have parity representation in the Supervisory Boards. The new 1976 act on "codetermination" improves somewhat on workers previous representation in the supervisory boards of other major industries which employ 2,000 or more employees. Out of the members of a supervisory board for example, consisting of 20 members, seven of the ten employee representatives must be employed in the company, whilst three of them, for which only trade unions have the right of proposal, can come from outside the company. The Chairman and the Vice-chairman of the Supervisory Board are elected by the supervisory board members with a majority of two thirds. If this majority is not obtained, the shareholders' side elects the Chairman and the employees side the Vice-chairman. In general, the Chairman would have the possibility to bring about a decision of the board if there is a stalemate situation. In this case, a second voting takes place, in which he has the right of two votes<sup>9</sup>. The shareholders have thus retained the control of the supervisory boards.

The *employers in Germany*, and more specifically the Confederation of German Employers' Association (BDA), have always supported all forms of codetermination below the Supervisory Board level and cooperation with the trade unions and the Government in advisory and decision-making bodies entrusted with the task of contributing to the solution of social and economic problems. "The BDA acknowledges as the fundamental principle of the social constitution that two partners enjoying equal rights face each other and are independent of each other. From this advocacy of a partnerlike ordering of the economy follows the readiness to cooperate with the employees so as to serve the economic and social peace, as it is called in the statement of the Works Council Act. The BDA acquiesces in a participation of the employees in social questions and the cooperation of employers and employees in economic problems"<sup>10</sup>.

<sup>9</sup> The Act on Codetermination of 1976, Federal Ministry of Labour and Social Affairs, Bonn, 1976.

<sup>10</sup> Germany Reports, *Labour Market and Labour and Management*, Press and Information Office of the Federal Government, Bonn, 1969, p. 23.

Nevertheless, the employer organisation have always objected to the efforts of the trade unions and political parties to extend employee influence in the Supervisory Boards of private companies. The lack of resistance in the introduction of the parity representation in the supervisory boards of the steel, iron, and coal was due perhaps to the fact that at the time when the law was being debated, the owners of those basic industries were in the defensive because of their association with the Nazi regime before and during World War II. "Historically, the existence of the scheme is explicable in that it was accepted by the owners at a time when they had in effect been dispossessed and were discredited, and a system of parity representation on the board seemed to them preferable to outright nationalisation, probably without compensation. The positive reasons for the scheme, also, were grounded in the events of the time viz that it would enable the unions and employees to supervise the activities of the companies so as to ensure they did not give political support to any possible revival of the Nazi party"<sup>11</sup>.

Although parity representation in the supervisory boards of the basic industries has not created any major problems, and the reformers can point with satisfaction at the good to excellent performance and profitability of those industries, the employer organisations have objected to the extension of the principle in other industries. The new act of 1976 is in fact a political compromise worked out in Parliament, which has taken into consideration some of the employer objections. Nevertheless, the BDA, as a matter of principle and perhaps for tactical reasons, still objects to the new legislation. A document prepared by the BDA includes the following statement:

"Although with the acknowledgement of the right of the final decision of the owners bearing the financial risks, the basic concept of our economic and social order has not been put into question, the practical application of the legislation will give rise to serious problems. Our objections in this respect relate to the functioning of the company, to the future implications on our social and economic order, and to the constitutional aspects"<sup>12</sup>.

On the other hand, the trade unions and more specifically the *German Trade Unions Federation* (DGB), have expressed dissatisfaction over the new act which has introduced less than parity representation in the supervisory boards. Trade union researchers and some independent observers have expressed also fears that in the implementation of the new act, employee representation would be diluted, because the electoral system as

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<sup>11</sup> Davies, P.L., *Industrial Democracy: European Experience*, H.M. Stationary Office, London, 1976, pp. 78-79.

<sup>12</sup> B.D.A., *Codetermination in Germany*, Cologne, April 1976.

well as the composition of the employees' side, will give middle management (which represents the interests of the owners) undue influence over the election of salaried employees' representatives and a good chance to be elected in the supervisory board as employee representatives, although in fact they may serve the interests of the shareholders.

It will take perhaps more than two years to assess properly the new German codetermination act, but if the past is to be an indication, the scheme will probably meet eventually with considerable success, because both sides have demonstrated the willingness and the capacity to adapt themselves to the needs of the times and contribute thus to economic stability and social progress.

The trade unions have always acted with considerable moderation. Although very well organised and financially independent, they have chosen the path to cooperation for the solution of problems of mutual concern, and have been making reasonable wage demands which relate to productivity and the capacity of the economy to pay. The strike is rarely used as a means of achieving the desired ends. Instead, they make use of the extensive arbitration services provided by the Government, and the continuous dialogue that exists with management inside and outside the enterprise.

The IGM (Metal Workers' Federation) which is the biggest and most important trade union organisation of the D.G.B., with 2,460,000 members, has declared the following:

"Because a strike is a weapon to be used only in extreme circumstances, and because a strike in the metal industry may have particularly far-reaching effects on the economy as a whole, the IGM constitution creates the following safety measures regarding work stoppage:

1. Each strike must be approved by the Executive Council.
2. Such consent can only be given if a minimum of 75 percent of the organised workers involved have voted in favour of the strike in a secret ballot (*Urabstimmung*), which first has to be approved by the Executive Council too. This refusal is automatic if less than 75% have voted for the strike.
3. If negotiations or other circumstances change the situation during a strike, the Executive Council may only continue the strike if at least 75% of the workers organised by the trade union concerned vote to do so in a secret ballot"<sup>13</sup>.

Reasonable attitudes have prevailed also among employee representatives at all levels of codetermination, including those industries where

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<sup>13</sup> I.G.M., *Meet IG Metall*, Frankfurt, 1974, p. 10.

there is parity representation in the supervisory boards. Foreign observers have found that even in the cases of parity representation, the conventional business interests have not been endangered<sup>14</sup>. In other words, the important factor which contributes to the success of the codetermination system in Germany is that the employee representatives manage to balance satisfactorily the interests of their constituency with those of the company as a profit making enterprise. This requires however, considerable preparation on behalf of the employee and trade union representatives, which the trade union organisations provide apparently quite adequately through the trade union schools, special training courses, research institutions, and special publications.

### RECENT DEVELOPMENTS TOWARD CODECISION

The increasing interest in workers' participation in the decision making process of management, has prompted the *Commission of the European Communities* to submit to the Council of Ministers in 1970 a draft statute for a European Company "which contains provisions comparable in some respects to the system applied in the Federal Republic of Germany"<sup>15</sup>. In 1972, the Commission prepared a proposal for a Fifth Directive with a view to the harmonisation of the laws governing joint stock companies in its member States, which included provisions for a similar system of workers' participation in the nomination of the members of supervisory boards in companies employing at least 500 workers, "either according to a formula similar to that in effect in the Federal Republic of Germany or according to a method comparable to that in force at the present time in the Netherlands"<sup>16</sup>. The Commission feels, however, that "member States must be free to adopt these principles with the maximum degree of flexibility possible and that certain member States must be permitted to allow their public companies to approach the objectives in stages"<sup>17</sup>.

### Developments in the Public Sector

In the large number of the developed and the developing countries there has been some form of workers' participation in the management of

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<sup>14</sup> BATSTONE, E., *Industrial Democracy: European Experience*, H.M. Stationary Office, London, 1976, p. 43.

<sup>15</sup> *Labour-Management Relations Series*, No. 48, p. 8.

<sup>16</sup> *Labour-Management Relations Series*, No. 48, p. 8.

<sup>17</sup> E.E.C., "Employee Participation and Company Structure", Bulletin of the European Communities Supplement, 8/75, p. 32.

the growing public sector of the economy, which includes nationalised industrial and commercial enterprises, public utilities and other services<sup>18</sup>. (*Argentina, Australia, Austria, Belgium, Egypt, France, Ghana, India, Ireland, Israel, Italy, Mali, Mexico, Nigeria, Norway, Peru, Sri Lanka, Switzerland, Syria, Tanzania, United Kingdom, Venezuela.*) The percentage and the election or appointment of workers' representatives in the management organs of those enterprises varies from country to country and in some cases from undertaking to undertaking, depending on the particular government policy and legislation, as well as on the *capacity of workers representatives to serve in the management organs*.

### SELF-MANAGEMENT SYSTEMS

*Workers' management* of undertakings or self-management is the most advanced form of workers' control of the decision making process of management. This form of participation however, presupposes collective ownership of the undertaking.

The best known example of such a system is that of *Yugoslavia*, which was established in the post World War II period. According to the Yugoslav system, the work force of the undertaking exercises the principal functions of management through the self-management organs which have been established by the statutes of the undertaking, namely the workers' assembly and the workers' council.

The Workers' Council, which is elected by the personnel of the undertaking, is entrusted with wide managerial powers. For instance, it adopts the internal regulations including those concerning income distribution, development plans, employee services and their implementation; it makes decisions on investments and approves balance sheets. It elects also the director of the undertaking, whom it is unpowered to dismiss, and it sets up a management board and a supervisory committee, and a number of other specialised committees to which are delegated advisory or decision making powers in specific fields, including personnel policies and relations, planning, financial and commercial affairs, etc.

A number of problems created by over-centralization of power in the Yugoslav system, prompted the introduction of renovations in recent years which are aimed at the decentralization of power, and the creation of conditions which are conducive to workers' participating more directly in self-management.

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<sup>18</sup> *Labour-Management Relations Series*, No. 48, p. 6.

The new principles adopted by the Self-Management Congress of Serrajevo in May 1971, were incorporated in the new Federal Constitution promulgated in 1974. On the one hand the implementation of renovations has reinforced the autonomy of undertakings, and on the other, self-management has been decentralized through the operation of two self-management organs; in the case of large undertakings, three different levels, namely at the level of the undertaking as a whole, at the level of its economic units (plants or establishments), and at the level of its work units (shops or departments)<sup>19</sup>.

The shop floor assemblies, which now constitute the basic self-management organs, are empowered to adopt production plans and works' rules for the unit, and decide on the distribution of income among the workers of the unit, taking into consideration the general principles established by the workers' council and the legal minimum wages<sup>20</sup>.

Other examples of self-management systems are those of *Algeria* and *Peru*. In the case of Peru, the Government has decided to apply a system of self-management in the sector which is called "social property" and which receives initial aid from the State. This is expected to cover eventually more than a thousand undertakings, but little is known at the present of the management organs proposed.

In the case of *Algeria*, where the Government has pursued a policy of promoting workers to become producer-managers since 1965, a Charter and a Code of socialist management of undertakings was adopted in 1971. The Code provides for the election of unit assemblies and the undertakings' assemblies which are elected from the unit assemblies. These assemblies are empowered to assist in the definition of the general policy. They are called upon also to supervise the management in the undertaking and to approve the balance sheet and the operating accounts. They are called upon also to assist the management in the establishment of personnel policies and personnel department functions. Specialised permanent committees are provided for to deal with a variety of social, cultural and economic matters, and they serve in committees which include an equal number of management representatives that deal with disciplinary matters and safety and health.

The self-management system in *Algeria* has been applied experimentally for some time, and apparently it has been made the object of a national campaign and discussion intended to explain the functions of the assemblies. It was reported however, that the elections for the assemblies

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19 ILO Labour-Management Relations, Series No. 48.

20 ILO Labour-Management Relations, Series No. 48.



scheduled for 1973 had to be postponed for 1974. Judging from the situation in other developing countries, one of the reasons for the postponement and the slow progress made since then was, and still is, the lack of adequate numbers of qualified workers to serve in the undertakings' assemblies and the specialised committees.

### **THE IMPORTANCE OF WORKERS' EDUCATION AND TRAINING IN EFFECTIVE PARTICIPATION AT THE LEVEL OF THE UNDERTAKING**

The combined aims of participation and the multidimensional functions of consultative and decision making bodies, create more extensive demands on the ability and behaviour of workers' representatives than those required for collective bargaining and grievance procedures. Participation has created thus new dimensions in workers' education which combine a variety of practical and ideological considerations.

It is not surprising, therefore, that the importance of workers' education and training as a prerequisite for successful participation of workers in decisions within undertakings, has been recognized and stressed by all interested parties. This is evident from the responses of national organisations to a questionnaire prepared in 1977 by the Workers' Education Branch of the I.L.O., and the reports of a number of international conferences and seminars which have taken place in recent years, including the October 1977 International Symposium on the Training Requirements of Workers' Representatives for Participation Within Undertakings, which took place in Geneva under the auspices of the I.L.O.

An analysis of sample responses reveals that organizations in the developing and the developed countries (both in the *market* and the *marxist* economies) consider workers' education and training an important contributory factor to successful participation. For example, the *Swedish Confederation of Trade Unions (LO)* regards training and education as a "very important part of the development of workers' participation within the undertakings"<sup>21</sup>. In the *U.S.S.R.*, the "continuous training of trade union functionaries is regarded as a necessary and most important component part of their preparation for socio-political activities"<sup>22</sup>. The Workers Education Division of the *Ministry of Labour and Social Welfare of Tan-*

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<sup>21</sup> In response to the Questionnaire prepared by the Labour Education Branch of the I.L.O.

<sup>22</sup> *Ibid.*

zania feels that "prerequisite" is too strong a word, but nevertheless, "education certainly is necessary for a successful implementation of workers' participation"<sup>23</sup>.

The discussions at the *Oslo Symposium on Workers' Participation in Decisions within Undertakings* (20-20 August 1974) organized by the I.L.O. in collaboration with the Norwegian Government, clearly indicated that workers' education had been identified as "an indispensable determinant of an eventual success of the various schemes of workers' participation"<sup>24</sup>. A workshop on workers' participation in the decision making process of management at the *International Conference on Trends in Industrial and Labour Relations* held in Montreal on May 25-28, 1976, came to the conclusion that "it has become common place to stress the crucial necessity of education for employees as well as for management in the area of participation: you cannot participate if you cannot get meaningfully - with knowledge - involved in the decision-making process"<sup>25</sup>. Other international seminars and studies have come to similar conclusions, (the *OECD Seminar on Workers' Participation*, the *Graz Seminar on the Role of Trade Union Training within the Scope of Codetermination*, and the *Trade Union Training Survey* prepared by the *European Association of National Productivity Centres*).

The contribution of education to the success of participation may be judged also by the acquired ability of workers' representatives to balance the interests of their constituency with those of the undertaking and society as a whole. In the *Soviet Union* for instance where the trade union committees represent the interests of all workers in the undertaking, "it is evident that a successful fulfilment by (Soviet) trade unions of their social role and their functions depends in many ways of how well trade union functionaries know the economic and social laws of the development of society",<sup>26</sup> as well as "the economics of production and labour, and forms and methods of managing enterprises"<sup>27</sup>.

In the *Federal Republic of Germany* the extensive educational and information programmes concerning codetermination which have been in ex-

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<sup>23</sup> *Ibid.*

<sup>24</sup> I.L.O. *Labour-Management Relations*, Series No. 48., Workers' Participation in Decisions within Undertakings, Geneva, 1976, p. 54.

<sup>25</sup> International Conference on Trends in Industrial and Labour Relations, Montreal, May 25-28, 1976, Workshop Report by R. BLANPAIN.

<sup>26</sup> From the Soviet Union response to the Questionnaire prepared by the workers' Education Branch of the I.L.O.

<sup>27</sup> *Ibid.*

istence for sometime now, have contributed to the success of the system because they have enabled workers' representatives to participate effectively in works' councils and supervisory boards, where they have managed apparently to match the interests of the enterprise as a profit making institution with those of the workers and society as a whole. As it has been mentioned previously, foreign observers found that even in the cases of parity representation in supervisory boards, the "conventional business interests have not been endangered"<sup>28</sup>.

Effective educational programmes concerning an existent or a proposed system of participation, may also help to overcome the apathy or intransigency of certain groups and especially those among the younger generation of workers, and contribute thus to the change of attitudes which is an important prerequisite for the success of any participative system.

Apathy and intransigency, which affect adversely cooperation, industrial peace and productivity, derive to a considerable extent from frustration, disillusionment, and alienation caused by uncontrolled technological change and automation, and the deterioration of the working environment. In certain *market* economies the problem is accentuated by the fact that the development of consumption values on the one hand, and the development of greater education and sophistication on the other, have created much greater expectations among the young workers; this causes them to demand much more from work and living. In their quest for fulfilment, they become impatient with authoritarian and old-fashioned management which does little to improve the working environment and this in turn, makes them apathetic or uncooperative and aggressive. They may also turn against the established leadership of trade unions if it concentrates only on limited gains and does not develop wider and more definite social and economic objectives<sup>29</sup>.

The young workers in the *United States* for instance, are legitimately in revolt against the "trappings of nineteenth century employer colonialism, piddling and demeaning work rules, time clocks, oppressive, overwatchful supervisors, and jobs which imply they are but an extension of the machine"<sup>30</sup>.

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<sup>28</sup> BATSTONE, E., *Industrial Democracy: European Experience*, H.M. Stationary Office, London, 1976, p. 43.

<sup>29</sup> BROWN, W.A. (Rapporteur), "Collective Bargaining in Transition", *Report of a Conference at Ditchley Park, Nov. 14-17, 1969*, The Ditchley Foundation, Enstone, England, p. 10.

<sup>30</sup> SAYLES, Leonard, "Job Enrichment: Little That's New, and Right for the Wrong Reasons", *Industrial Relations Research Association Series, Proceedings of the 26th Annual Winter Meeting*, New York, Dec. 28-29, 1971, pp. 202-3.

For similar reasons the younger generation of workers in *Japan* have changed their attitudes towards both management and organised labour. The "dual loyalty" they have had for their employers and trade unions, it has now developed into a "*dual apathy*"<sup>31</sup>.

In some marxist countries of *Eastern Europe*, the problems of worker dissatisfaction appear also to occur in terms of high turnover rates and absenteeism, especially among younger workers. That is why, "considerable interest has been shown in studies of worker motivation and methods of promoting worker participation in decisions at the shop-floor level and better opportunities for self-fulfilment, as an antidote to these trends"<sup>32</sup>.

International experiences indicate therefore, that workers must be convinced first, through effective programmes of information and education, that *among other things*, participation would cure some of the aforementioned ills of uncontrolled technological change and automation, and the deterioration of the working environment. It is only then that they become cooperative and willing to support participation.

## THE WAY AHEAD FOR CANADA

Industrial democracy in the form of employees' participation in management, has become the subject of serious study in Canada by academics and other parties concerned in recent years, and although employee representation in co-decision bodies is still a topic of intellectual discussion, and occasional Government interest only, the deep-seated underlying forces and necessities will soon make such proposals a realistic concern for action. However, as the Chairman of Unilever Limited, David Orr, has observed recently, "to have any chance of success, participation has to start at the grass roots". Furthermore, "without a high degree of consensus, attempts to transfer systems for regulating human institutions can cause problems of assimilation and end in total rejection by those who were expected to benefit"<sup>33</sup>. His recommendations therefore are similar to

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31 SHIRAISHI, T., "Workers' Participation in Decisions Within Undertakings in Japan" *Symposium on Workers Participation in Decisions within Undertakings*, Oslo, 20-30 August 1974, I.L.O., Geneva, 1974.

32 I.L.O., *Labour-Management Relations*, Series No. 48, "Workers' Participation in Decisions within Undertakings", Oslo Symposium, I.L.O., Geneva, 1976, p. 31.

33 ORR, David, "Employee Representation and Cooperation", *Harvard Business Review*, January-February, 1977.

that of the official recommendations of the E.E.C. Commission, which leaves the degree and formula of participation and the pace of implementation to the discretion of the individual member States that can best adopt the proposed systems of participation to national realities.

In the present day Canadian realities, the question of employees' participation at the industry level would be easier perhaps to deal with - if it becomes part of an agreed "package" - which may include provisions for participation in the formulation of socio-economic policies, at the provincial and national levels. Experience supports the contention that there is a relationship between employees' participation at the industry level and effective tripartite cooperation at the national level, because industrial democracy at the level of the undertakings enhances labour-management cooperation and concerted action for the solution of national problems. More specifically, the success of the German co-determination system and its beneficial contribution to social and economic stability, provides not only tangible evidence of viability for lower as well as for higher levels of employees' participation, but also evidence of its contribution to reasonable wage settlements and to effective cooperation over national economic policy.

Experience has shown also that one of the most important factors for the success of the existing systems of participation, has been the special training and education of workers in general and of the trade union activists in particular, which has enabled them to participate effectively in various consultative and decision making bodies, where they have been executing their duties with all the required knowledge and responsibility. This has in fact produced a balanced situation in the private sector of industry, where the interests of the enterprise as a profit making institution, are fairly well matched vis-a-vis the interests of employees and society as a whole.

On the other hand, management in general and the representatives of employer organizations in particular, have become accustomed to working together with trade unionists for the solution of problems of mutual concern inside and outside the enterprises, and consequently they consider the labour representatives as partners with whom they are bound to disagree occasionally, rather than unrelenting enemies with whom they must always engage in battle.

The long term solution of the current Canadian economic problems requires, *inter alia*, wage and price restraints, prolonged industrial peace and increased productivity. The former may be achieved through a new AIB programme, but the European experiences indicate that the latter can only be achieved through the introduction of a *comprehensive incomes policy*

*based on tripartite cooperation and consensus, and enhanced by participatory democracy at the level of the undertakings.*

The experiences of certain successful West European practices in employee's participation within undertakings recommends the establishment of *complementary institutional arrangements* in the existing system of labour-management relations in Canada which, at the present, is based only on the institution of collective bargaining. The institutionalization of participation in the decision making process of management, is expected to contribute more effectively to the solution of problems of mutual concern, and enhance thus the spirit and scope of cooperation.

There is little doubt now that employee's participation would be adopted by most Western European countries and that Canada will have to follow suite if it is to improve the quality of working life and increase productivity, improving thus its competitive position in the international market. Some form of participation would become, therefore, a reality in the next decade, and the interim period provides companies with a useful breathing space in which managements can take stock, analyse their own strengths and weaknesses, and decide on how best to widen joint regulation or co-decision-making within their organizations, and to influence government legislation accordingly.

According to the British personnel management consultant, Nancy Taylor, there are four main lines of approach that companies can take:

- 1) Supervisory boards/employee directors.
- 2) Extension of areas of collective bargaining.
- 3) Systems of joint councils or committees at various levels and with extended scope.
- 4) Work restructuring.

A company may opt for any or all four of any combination of these approaches under proposed or enabling legislation, but there should be viability studies to decide what the best choice is for a particular company - or where and how to start, given existing circumstances. This is one area when borrowing *wholesale* from other countries or other companies' practices could be disastrous, "because one is not dealing with narrow techniques but rather with the changing of a way of live"<sup>34</sup>.

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<sup>34</sup> TAYLOR, Nancy, "Time to Prepare for Participation", *Personnel Management*, London, August 1976.

In the breathing space offered, there is an excellent opportunity for the large and medium size companies in Canada to mount joint investigational studies, and in the process, learn how to solve problems of mutual concern jointly, with the minimum of unnecessary conflict. Getting together management/union teams may not be too difficult, especially if they are joined by Government representatives and/or independent experts.

In brief, the task of the proposed joint study teams, would be to examine both the needs as well as the constraints of:

- a) company technology, its objectives and operational problems;
- b) management policies and practices, including systems of control and styles of managing;
- c) employee attitudes and expectations;
- d) industrial relations processes and procedures;
- e) external pressures of markets, fiscal policies and other legislative measures, social and political values; and
- f) the educational and training requirements of employees for participation.

Companies which feel that they have not the resources required for this task, may obtain outside assistance from the appropriate research departments of the Provincial Governments, the manufacturers' associations, and the colleges and universities. However, there must still be a minimum but high level of involvement of the companies' own personnel and trade union representatives, if the proposed studies are to have a successful translation into practice. The important thing is to make a start while there is still time to initiate rather than merely react to eventual legislation and compliance with Federal and/or Provincial policies and directives.

Parallel to any joint investigational studies that labour and managements may decide to pursue at the undertaking and/or industry level, the relative success of the union-management conferences which have been sponsored in recent years by the Federal Department of Labour, indicate also the desirability of extending these conferences into week-long joint study courses with the support and cooperation of the provincial governments and a selected group of higher educational institutions.

Both of the above outlined study and learning processes, would not only help to solve some immediate problems of mutual concern including health and safety, but they would also create the necessary preconditions for the eventual establishment and success of permanent cooperative bodies at

the industry and national levels, irrespective of the method and source of their introduction.

In the final analysis, the urgency of concerted action by all parties concerned in this field, does not derive only from the need of preparing to comply eventually with public policies and directives, but also from the urgent over-riding need of reducing conflict and of improving the productivity performance of industrial enterprises, in order to increase the competitiveness of their products in the international market, and make thus a positive contribution to the effort against stagflation.

### La participation des employés à la direction: expériences internationales et perspectives canadiennes

Quelques pays du monde occidental, y compris le Canada, ont fait l'expérience, depuis le milieu de la décennie 1960, d'un état aigu de conflits industriels et d'une performance pitoyable en matière de productivité à un moment où la paix industrielle et l'augmentation de la productivité s'imposent dans la lutte à une *stagnation* persistante. Ces faits brutaux sont aussi atterrants que convaincants. Le nombre et la fréquence des grèves, des lock-out et autres formes d'arrêts de travail ont augmenté à un taux alarmant, en particulier dans les secteurs stratégiques de l'économie, et le taux d'accroissement de la productivité laisse beaucoup à désirer.

La productivité est contrée non seulement par la perte directe de production, qui résulte des arrêts de travail, mais aussi par des formes variées de ralentissement, l'accroissement de l'absentéisme, le fini du travail et les dommages à l'équipement et aux matériaux. L'explication que quelques spécialistes apportent à cette contestation croissante, c'est que, sous les pressions de l'inflation, syndicats et directions se sont retranchés d'une façon inflexible sur leurs positions respectives, tandis que d'autres ont tendance à attribuer en grande partie l'agitation industrielle, pendant les dernières années, au militantisme de gauche. Cependant, la plupart des experts s'accordent à dire que ce record de conflits industriels, depuis plus de dix ans maintenant, indique avant tout que nous vivions avec ce malaise longtemps avant les pressions des dernières années et que, d'autre part, le militantisme syndical ne correspond pas nécessairement à l'agitation politique des groupes de gauche. Le record des conflits en Australie, au Canada, en Irlande et aux États-Unis, par exemple, où, au point de vue idéologique, les syndicats peuvent être considérés comme modérés ou conservateurs, est aussi mauvais que celui de l'Italie, où les communistes et les socialistes de gauche dominent la plupart des syndicats. D'autre part, la situation des grèves en France où les communistes dominent aussi les plus importantes centrales syndicales, est presque aussi bonne que celle du Japon, des pays scandinaves et de l'Allemagne.

On peut trouver la réponse à ces contradictions dans les causes sous-jacentes de conflit et dans les aspects antagonistes de systèmes de relations professionnelles fondés sur la contestation plutôt que sur la coopération entre syndicats et



employeurs, non dans l'orientation idéologique des syndicats. Les expériences internationales indiquent que les radicaux tirent profit du mécontentement, mais qu'ils n'en sont pas la cause. En de tels cas, les divergences entre patrons et syndicats en matière de rémunération et d'avantages sociaux sont accentuées par une forte méfiance mutuelle et, ainsi, leurs positions respectives deviennent plus rigides. Il est alors presque impossible d'en arriver à un règlement facile et raisonnable en matière de salaires ou même de trouver des solutions mutuellement acceptables à des problèmes d'intérêt commun.

Au cours de la dernière décennie, il est devenu manifeste que le système de négociations collectives, à lui seul, ne peut régler effectivement plusieurs des problèmes compliqués créés par les déplacements de production et l'introduction incontrôlée de changements technologiques et d'automatisation (lesquels ont été accompagnés d'une augmentation du chômage structurel), la frustration et l'aliénation d'importants secteurs de la main-d'oeuvre (suite à la détérioration de l'ambiance de travail), le développement d'un sens accru de la justice sociale et la recherche de la perfection, principalement parmi la plus jeune génération de travailleurs. Ce qui est remis en question, par conséquent, ce n'est pas l'apport de la négociation collective dans la fixation des salaires et l'amélioration des conditions de vie, mais l'incapacité de faire face à la multiplicité des problèmes au lieu même du travail qui ont accentué l'État de conflit et diminué la productivité. La solution à ces questions exige une consultation et des ententes entre employeurs et salariés qui soient périodiques, sinon constantes, ententes que les accords de négociations collectives (une fois tous les deux ou les trois ans) ne peuvent pas vraiment comprendre.

L'expérience a démontré que la solution se trouve dans l'amélioration générale des relations professionnelles et le développement de dispositifs institutionnels complémentaires, non dans l'abolition du système de négociations collectives qui, dans une atmosphère de bonnes relations, peut encore contribuer au règlement raisonnable des questions salariales. Une étude comparative du système de relations professionnelles dans les pays du monde occidental, de la situation qui y existe en matière de grèves et de productivité et de l'état de leurs économies incite à considérer sérieusement l'introduction de certains mécanismes institutionnels complémentaires au système de négociations collectives et aux dispositifs d'arbitrage, qui seraient de nature à favoriser la coopération entre salariés et employeurs en vue de la solution des problèmes d'intérêt mutuel. Ceci aurait pour effet, en retour, de réduire les conflits, d'accroître la productivité et d'améliorer les chances de règlement normal des questions salariales.

De tels dispositifs tournent autour d'une certaine forme de participation des travailleurs à la gestion et se classent dans la catégorie générale de ce qu'on appelle la démocratie industrielle. Bien que ces mécanismes institutionnels de participation diffèrent quant à leur amplitude et à leurs fonctions, ils ont fondamentalement les mêmes buts qui sont idéologiques autant que pratiques. En d'autres mots, les objectifs de la participation sont d'améliorer la qualité de la vie au travail, de diminuer l'intensité des conflits industriels, d'accroître la productivité et de créer les conditions préalables à une coopération efficace des parties à l'extérieur du milieu de travail par la formulation et l'implantation d'une politique socio-économique publique.

Beaucoup de pays industrialisés ou en voie de développement ont établi ou projettent d'implanter la participation ouvrière par législation ou dans les conventions

collectives, mais le degré et l'ampleur de la participation et le type d'institutions mises en place varient d'un pays à l'autre et parfois d'une industrie à l'autre. Cependant, en dépit de cette diversité, on peut noter certaines similitudes *institutionnelles* et *fonctionnelles*, au moins dans la plupart des pays industrialisés et quelques pays en voie de développement. Ces similitudes se retrouvent principalement dans les institutions de participation dites «représentatives» ou de niveau inférieur qui touchent aux trois principaux aspects de la coopération entre employeurs et salariés, soit *l'information*, la *consultation* et *l'approbation*.

Ces institutions de participation à l'échelon inférieur sont, par conséquent, des corps *consultatifs*, et on les retrouve surtout en Europe (bien qu'il y ait des corps consultatifs semblables ailleurs dans le monde). On les désigne toujours sous les noms de «comité de travailleurs», «conseil des travailleurs», ou de «comités syndicaux» (dans les pays marxistes). Nombre de questions sont débattues dans ces «conseils de travailleurs» en vue d'en arriver à un consensus ou d'«influencer» les décisions de la direction.

D'autre part, les institutions de participation au niveau supérieur sont des «organismes de gestion» où les représentants des travailleurs siègent aux bureaux de direction des entreprises privées aussi bien que publiques. En 1970, la République fédérale d'Allemagne était le seul pays en Europe occidentale où les représentants des employés siégeaient aux bureaux de direction. Aujourd'hui, la loi des compagnies de l'Autriche, du Danemark, du Luxembourg, de la Hollande, de la Norvège et de la Suède prévoit aussi une représentation semblable. En outre, plusieurs pays en voie de développement et la plupart des autres pays européens se proposent d'instituer ou d'augmenter la participation aux degrés inférieurs ou supérieurs par mesure législative ou par des conventions collectives cadre. La CEE a mis de l'avant une directive qui rend la participation obligatoire pour tous ses membres. Toutefois, la vitesse et le degré de participation ont été laissés à la discrétion de chaque État membre.

Ce qui est important de noter, toutefois, c'est que le succès de la participation des travailleurs à la gestion exige plusieurs conditions préalables, y compris l'intensité de désir à la participation, le comportement de toutes les parties intéressées, l'éducation et la formation des salariés en vue de la participation et le degré d'appui des syndicats existants.

Il en fait peu de doute maintenant que la participation des salariés sera adoptée par la plupart des pays d'Europe occidentale et que le Canada devra suivre s'il désire améliorer la qualité de la vie au travail et accroître la productivité, améliorer ainsi sa position concurrentielle sur les marchés internationaux. Une forme quelconque de participation deviendrait, par conséquent, une réalité durant la prochaine décennie et la période intermédiaire donne aux entreprises le temps de respirer pendant lequel la direction peut scruter la situation, analyser ses points forts et ses points faibles et décider comment elle pourrait le mieux accroître les réglementations conjointes ou les processus de décision à l'intérieur des entreprises, tout en influençant en conséquence la législation.

Les compagnies qui estiment ne pas avoir les ressources requises pour accomplir cette tâche, peuvent obtenir de l'aide de l'extérieur auprès des services de recherche appropriés des gouvernements provinciaux, des associations de manufacturiers, des collèges et des universités. Cependant, il doit y avoir en outre un haut degré d'engagement de la part du personnel des entreprises et des représentants syndicaux

pour que des méthodes préconisées passent dans la pratique. Ce qui est important, c'est de se mettre au travail pendant qu'il est encore temps de prendre l'initiative plutôt que de simplement réagir et de se soumettre à la législation fédérale ou aux politiques et directives des provinces.

Parallèlement à tout étude en profondeur que les travailleurs et les employeurs peuvent décider de poursuivre au niveau de l'entreprise ou de l'industrie, le succès relatif des conférences patronales-ouvrières que le ministère fédéral du travail a offertes au cours des dernières années indique aussi qu'il est souhaitable de transformer ces conférences en cours permanents avec l'appui des gouvernements provinciaux et en coopération avec eux de même qu'avec des institutions d'enseignement supérieur.

Ceci ne ferait pas qu'aider à résoudre les problèmes immédiats d'intérêt mutuel, y compris la santé et la sécurité, mais créerait aussi les conditions préalables à l'établissement éventuel et aux succès d'organismes de coopération permanents à l'échelle de l'industrie et de l'économie nationale, indépendamment de la méthode et de l'origine de l'implantation.

Enfin, l'urgence d'une action concertée de toutes les parties intéressées ne découle pas uniquement de la nécessité de se préparer à se soumettre aux politiques et aux directives publiques, mais aussi de l'urgence nécessaire d'atténuer les conflits et d'améliorer le rendement des entreprises industrielles afin d'accroître la concurrence de leurs produits sur les marchés internationaux et de contribuer ainsi d'une façon positive à la lutte contre la *stagnation*.

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